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FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6383
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
RUEHBJ/AMEMBASSY BEIJING 4326
RUEHBY/AMEMBASSY CANBERRA 1223
RUEHPB/AMEMBASSY PORT MORESBY 3452
RUEHKO/AMEMBASSY TOKYO 0833
RUEHWL/AMEMBASSY WELLINGTON 1789
RUEHHM/AMCONSUL HO CHI MINH CITY 0220
RUEATRS/DEPT OF TREASURY WASHDC
RUEAWJA/DEPT OF JUSTICE WASHDC
RHEHNSC/NSC WASHDC
RUEAIIA/CIA WASHDC
RUEKJCS/SECDEF WASHDC
RHHJJPI/USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 002674

SIPDIS

SIPDIS

DEPT FOR EAP, EAP/MTS, EAP/PD, INR/EAP, INL FOR BOULDIN
DEPT FOR EBB/IFD/OMA
NSC FOR EPHU
DOJ/OPDAT FOR LEHMANN/A;EXANDRE/BERMAN
SINGAPORE FOR BAKER
TREASURY FOR IA-BAUKOL
DEPT PASS FEDERAL SAN FRANCISCO FOR FINEMAN
DEPT PASS EXIM BANK

E.O. 12958: DECL: 09/21/2017
TAGS: [PGOV](#) [KJUS](#) [KCOR](#) [ID](#)
SUBJECT: IMPLICATED IN CORRUPTION CASE, PRESIDENTIAL
ADVISER VEHEMENTLY DENIES CHARGES

REF: A. JAKARTA 1059
[1](#)B. JAKARTA 271

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Classified By: Pol/C Joseph Legend Novak, reasons 1.4(b,d).

[1](#)1. (C) SUMMARY: A special unit within the Attorney General's office has reportedly implicated T.B. Silalahi--an influential adviser to President Yudhoyono--in an ongoing corruption investigation. According to media reports, Silalahi allegedly received a house from a contact. Silalahi has heatedly denied the accusation and there are reports that the special unit may be backing away from making formal charges. Any move to prosecute Silalahi would reflect badly on the president's well-earned reputation for clean governance. Bio notes on Silalahi are contained in para six.
END SUMMARY.

[1](#)2. (SBU) THE ACCUSED: According to multiple reports, a Supreme Court special unit is investigating Presidential Advisory Council member T.B. Silalahi for corruption. Silalahi is accused of accepting a house and property in northern Jakarta from former PT Asabri Director Henry Leo in [1](#)1996. (Note: PT Asabri is a military insurance company.) At the time of the alleged transaction, Silalahi was serving as the Chief of Staff for the head of the Army. In a separate case, Leo is currently being investigated by the Attorney General's Office on charges of misusing USD 45 million in funds specifically earmarked for housing Indonesian soldiers.

[1](#)3. (SBU) A TANGLED STORY: The story is a complex one. In news accounts of the alleged transaction, Henry Leo's wife claimed that her husband gave the house to T.B. Silalahi after first purchasing it from a popular Jakarta hair

stylist. Silalahi then purportedly registered the house in his son's name. T.B. Silalahi has strongly contested the charges in several public statements, urging the media and the public to allow the facts surrounding the case to come to light before jumping to any conclusions.

14. (C) COLD, HARD FACTS LACKING?: There are signs that the special unit investigating the case may be backing away from formal charges. Yahya Rahman, the Deputy Attorney General for Special Crimes, announced on September 19 that there was insufficient evidence to charge Silalahi with a crime at this point. According to Rahman, the house in question has already been sold by Silalahi's son to another party, complicating any efforts to build a case. While Rahman acknowledged Henry Leo's claim that he gave Silalahi a house, he noted that he would probably be unable to proceed further without hard facts.

15. (C) WORRIES AT THE PALACE: Silalahi is the Defense and Security policy advisor to the president and there is little doubt that the Palace is very concerned about the accusations being bandied about. Should T.B. Silalahi ultimately manage to avoid indictment, President Yudhoyono will undoubtedly breathe a huge sigh of relief. SBY has made fighting corruption one of his signature issues and his administration has had a fair degree of success in the area. Any sort of linking of the president or his advisors with corrupt activities does not help that effort.

16. (C) BIO NOTES: According to contacts, Silalahi, 69, is an associate of underworld figure Tomy Winata. Given that, many questioned the wisdom of bringing Silalahi into the inner circle in the first place. Cabinet Secretary Sudi Silalahi is his first cousin. As a member of the Presidential Advisory Council (see Ref A for background on the Council), he is one of Mission's best sources for

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information on Palace affairs (Ref B). He was born in Siantar, North Sumatra, in 1938 and is a Protestant. Silalahi is married to Budiarti Ririe and has three grown children. He speaks English fluently.
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